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ARIZONA CORPORATION COMMISSION

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AZ CORP COMMISSION  
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November 14, 2006

Arizona Corporation Commission

DOCKETED

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Mr. Daniel Hodges  
Johnson Utilities, L.L.C.  
5230 East Shea Boulevard  
Scottsdale, AZ 85254

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RE: Johnson Utilities L.L.C. – Application to extend a Certificate of Convenience and Necessity. Docket No. WS-02987A-06-0667.

### INSUFFICIENCY LETTER

Dear Mr. Hodges:

The application of Johnson Utilities L.L.C. to extend its Certificate of Convenience and Necessity (“CC&N”), Docket No. WS-02987A-06-0667, has not met the sufficiency requirements as outlined in the Arizona Administrative Code (“A.A.C.”). To correct the deficiencies, please provide the following information:

#### Wastewater CC&N Application

1. Please provide a copy of the approved Council of Governments §208 plan, and any subsequent amendments to the §208 plan, and any proposed amendments to the §208 plan for the proposed wastewater certificated area.
2. The submitted Preliminary Wastewater Report for Walker Butte Phase I states (page 7) “...Walker Butte Unit 1 where 1,103 gallons per minute flow will be directed to Section 11’s WWTP.” Please verify the correctness of this statement and update the Report.
3. The submitted Wastewater Collection Master Plan for Monterra states (page 1) “...The Town of Florence will be the water and sewer provider for this site”. Please verify the correctness of this statement and update the Report.
4. Please provide wastewater flows from existing wastewater treatment plants for last 12 months if any of the existing wastewater treatment plants will be accepting wastewater from the proposed wastewater CC&N area.

5. Please provide Arizona Department of Environmental Quality ("ADEQ") Compliance Report for the existing wastewater treatment plants which will be accepting wastewater from the proposed wastewater CC&N area.
6. Please identify the size in acres of each of the developments in the proposed CC&N area.
7. The submitted total estimated sewer construction cost to serve the proposed CC&N is \$9,666,692. Please provide the details.
8. Please provide a copy of the Arizona Department of Environmental Quality's "Aquifer Protection Permit" for the wastewater treatment plant. If that permit has not been issued, please inform the Commission of the status of the application for that permit.
9. Please provide a set of design plans for the proposed wastewater facilities. If final plans are not available, preliminary design plans should be provided.
10. Provide requests for service for the Monterra and Montessa developments.

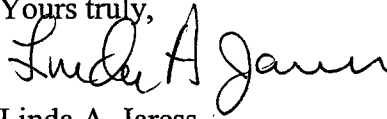
Water CC&N Application

1. The submitted Preliminary Water and Sewer Report for Montessa states (see 2.0) "Water and Sewer service for Monterra will ultimately be owned by the Town of Florence". Please verify the correctness of this statement and update the Report for the proposed CC&N area.
2. Please indicate if the Company's Arizona Department of Water Resources ("ADWR") Designation of Assured Water Supply includes the service areas in this CC&N extension application and provide appropriate documentation.
3. Please provide the ADEQ Compliance Report for PWS Number 11-136.
4. The submitted total estimated water construction cost to serve the proposed CC&N is \$8,698,417. Please provide the details.
5. Please provide a set of design plans for the proposed water facilities. If final plans are not available, preliminary design plans should be provided.
6. Provide requests for service for the Monterra and Montessa developments.
7. Describe any planned golf courses, parks or other water features and the source of irrigation (ground water or effluent) for those areas.

Pursuant to A.A.C. R14-2-411(C)(3), Staff may terminate an application if the applicant does not remedy all deficiencies within 60 calendar days of the notice of deficiency.

If you have any questions concerning the deficiencies listed above, please contact me at 602-542-0859 or Jian Liu at 602-542-7276.

Yours truly,

A handwritten signature in black ink, appearing to read "Linda A. Jaress". The signature is fluid and cursive, with the first name "Linda" and last name "Jaress" clearly distinguishable.

Linda A. Jaress  
Executive Consultant III

LAJ:red

cc: Docket Control  
Del Smith  
Lyn Farmer  
Brian Bozzo